

COMMITTEE REPORT

MR. PRESIDENT:

The Senate Committee on Rules and Legislative Procedure, to which was referred Senate Bill No. 523, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT concerning pensions.
- 3 Delete everything after the enacting clause and insert the following:
- 4 SECTION 1. [EFFECTIVE JULY 1, 2003] (a) **This SECTION applies**
- 5 **to a member of the 1977 police officers' and firefighters' pension**
- 6 **and disability fund (1977 fund) who:**
 - 7 (1) **first became a member of the 1977 fund after December**
 - 8 **31, 1993, and before October 1, 1996;**
 - 9 (2) **was at least thirty-six (36) years of age at the time the**
 - 10 **member first became a member of the 1977 fund; and**
 - 11 (3) **will not accrue twenty (20) years of service credit in the**
 - 12 **1977 fund before the member reaches the mandatory**
 - 13 **retirement age established by the member's employer.**
- 14 (b) **In addition to the service credit that a member earns**
- 15 **through active service, before a member retires the member may**
- 16 **purchase the additional amount of service credit needed for the**
- 17 **member to retire with a full unreduced benefit by making**
- 18 **contributions to the 1977 fund as follows:**
 - 19 (1) **The contributions to the 1977 fund must be equal to the**
 - 20 **product of the following:**
 - 21 (A) **The salary of a first class patrolman or firefighter,**
 - 22 **whichever is applicable, at the time the member makes the**
 - 23 **contribution.**
 - 24 (B) **A rate, determined by the actuary for the 1977 fund,**
 - 25 **that is based on the age of the member at the time the**
 - 26 **member actually makes a contribution for the service**

1 credit and computed to result in a contribution amount
 2 that approximates the actuarial present value of the benefit
 3 attributable to the service credit purchased.

4 (C) The number of years of service credit the member
 5 intends to purchase.

6 (2) Contributions for any accrued interest, at a rate
 7 determined by the actuary for the 1977 fund, for the period
 8 from the member's initial membership in the 1977 fund to the
 9 date payment is made by the member.

10 (c) The following apply to the purchase of service credit under
 11 this SECTION:

12 (1) The service credit allowed is limited to the amount
 13 necessary, when added to the member's active service, for the
 14 member to accrue twenty (20) years of service credit in the
 15 1977 fund by the time the member reaches the mandatory
 16 retirement age established by the member's employer.

17 (2) The member may pay the amount determined in
 18 subsection (b) as:

19 (A) a lump sum; or

20 (B) a series of payments determined by the public
 21 employees' retirement fund (PERF) board, not to exceed
 22 five (5) annual payments.

23 (3) A member may not use the service credit unless the
 24 member has made all payments required for the purchase of
 25 the service credit.

26 (4) To the extent permitted by IC 36-8-8-18, a member may
 27 use:

28 (A) a rollover distribution; or

29 (B) a trustee to trustee transfer;

30 to purchase service credit under this SECTION.

31 (d) If a member terminates employment before satisfying the
 32 eligibility requirements necessary to receive a monthly benefit
 33 under IC 36-8-8, the PERF board shall return the purchase
 34 amount, plus accumulated interest, in accordance with IC 36-8-8-8.

35 (e) A member's employer may adopt an ordinance to pay all or
 36 part of the member's contributions required for the purchase of
 37 service under this SECTION. In that event, the 1977 fund's actuary
 38 shall determine the amortization, and subsections (c)(2), (c)(3),
 39 (c)(4), and (d) do not apply.

40 (f) This SECTION expires December 31, 2007.

(Reference is to SB 523 as introduced.)

and when so amended that said bill be reassigned to the Senate Committee on Pensions and Labor

GARTON

Chairperson